



**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

**VIA E-MAIL ONLY**

October 13, 2021

Dr. Christy Valentine-Theard, CEO  
Healthy Blue  
10000 Perkins Rowe Suite G-510  
Baton Rouge, LA 70810

**RE: Notice of Action – Failure to Meet Brand-Over-Generic PDL Compliance Rate**

Dear Dr. Valentine-Theard:

Healthy Blue (HBL) has failed to meet the brand-over-generic preferred drug list (PDL) compliance rate as required by its contract with the Louisiana Department of Health (LDH). The contract provides:

6.3.3.5. LDH shall monitor the rate of MCO compliance with the PDL. Compliance rate shall be defined as the number of preferred prescriptions paid (drugs classified with PA Indicators 1 & 3) divided by total prescriptions paid for drugs in therapeutic classes listed on the PDL (drugs classified with PA Indicators 1-4). The MCO shall achieve at least a 92% overall compliance rate and at least a 92% compliance rate for each medication on the brand-over-generic list provided by LDH (calculated as brand/(brand + generic)). The PDL compliance rate shall be calculated at the sole determination of LDH. Failure to meet both of these standards may result in monetary penalties set forth in Section 20 of this contract.

HBL's 2021 Quarter 1 overall brand-over-generic compliance rate was met; however, the compliance rate for one medication, Advair, for which the compliance rate was 79%, was not met. On September 24, 2021, HBL confirmed that the rate was not met for the medication and stated it was due to multiple PAs being inappropriately approved for the generic equivalent.

Dr. Christy Valentine-Theard

October 13, 2021

Page 2

Failure to adhere to the contract requirements cited herein may warrant the assessment of a monetary penalty per occurrence per calendar day of non-compliance of \$5,000, as outlined in the contract between HBL and LDH. In the future, should HBL fail to meet the brand-over-generic compliance rate for any drug, monetary penalties may be assessed in accordance with the contract between HBL and LDH. Monetary penalties may also be assessed in accordance with Section 20.3 if Healthy Blue fails to meet the overall compliance standard of 92%.

Should you have any questions, please do not hesitate to contact me.

Sincerely,



Stacy Guidry

Section Chief, Medicaid Program Operations and Compliance

SG/lj

cc: Michael Boutte  
Sue Fontenot  
Patrick Gillies  
Kim Sullivan  
Melwyn Wendt  
Christina Wilson  
HBL2-47